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Institutional & Structural Assessment of Bureau of Statistics, Khyber Pakhtunkhwa

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Data Page

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Abstract:

USAID has commissioned a project to undertake Institutional development of Bureau of Statistics, Khyber Pakhtunkhwa. This report summarizes the institutional and structural assessment of the organization, identifying areas for reform so as to develop BoS into a robust data and information collection and dissemination hub.

Acronyms

ADP	Association for the Development of Pakistan
BEE	Business Enabling Environment
BoS	Bureau of Statistics
CMI	Census of Manufacturing Industries
KPK	Khyber Pakhtunkhwa
PBS	Pakistan Bureau of Statistics
PHE	Physical Health Education
P&DD	Planning and Development Department
SOW	Scope of Work
T&C	Transport & Communication
US	United States
USAID	United States Agency for International Development

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Executive Summary

Khyber Pakhtunkhwa's (KPK) Bureau of Statistics (BoS) is presently being reviewed by the government in terms of the function it is performing and the support the government is getting from it to meet its development objectives.

The present government of the Khyber-Pakhtunkhwa (KPK) province intends to sharply improve the level of governance and public sector management in the province so as to enhance the wellbeing of the common citizen of the province. One aspect of this endeavor is to strengthen the overall planning and development process. This entails that the government should look for ways and means to strengthen provincial Planning and Development Department (P&DD) and its attached affiliated departments and agencies including provincial Bureau of Statistics (BoS).

There is a general consensus that planning process in the province is severely compromised by inadequate quantity and quality of economic and social data available. The underlying perception is that the functions presently performed by the provincial Bureau of Statistics (BoS) fall well short of the needs of the government and therefore needs a thorough restructuring to deliver the goods. To overcome this deficiency, the provincial government wants to convert the BoS into a modern "state of the arts" statistical institution. This institutional and structural assessment is a first step towards achieving the government's objective.

The assessment evaluates the role and functioning of BoS in terms of:

- Sufficiency of data: Data coverage, periodicity, and timeliness.
- Quality, transparency (on methodology), sources, and cross-checks, timeliness, frequency and granularity
- Integrity: transparency (of data), objectivity, and professionalism
- Dissemination: timetable and schedules of release of data; the medium of dissemination; confidentiality and data security issues and practices

Presently the main task of BoS is to collect data, both for the provincial government as well as for the Pakistan Bureau of Statistics (PBS). While BoS does a reasonably good job in the task assigned to it, from the perspective of supporting the provincial planning and development process, there are some glaring gaps in data. The most important of these are the lack of estimates of provincial GDP. Without the provincial GDP, the provincial planners and economic managers are severely handicapped to assess the strengths and weaknesses of the provincial economy or the impact of public policies on the welfare of the people. Moreover, without a consistent GDP series, the economic managers have no basis to evaluate many of the economic and social indicators. Although PBS is tasked with estimating the national and provincial GDP, it is failed to compile the latter despite it being in its work plan for last many years. Nonetheless, the data required to estimate the provincial GDP, has to be collected by BoS, and it does collect most of the data required. With some more data and training, BoS should be in a position to estimate the provincial GDP series. Similarly, no price indices are calculated. As such, there is no way to assess the welfare impact of provincial and federal policies or the impact of international factors. While fiscal data are compiled, they lack consistency as no internationally accepted definition or protocol is followed. With some training, BoS should be able to present consistent information of government's fiscal transactions. Another important gap in data is the lack of information of inflow of remittances (both domestic and foreign). KPK being a remittance economy, this information is critical for policy makers to improve economic planning and policies.

The assessment also determines that the quality of data compiled and presented by BoS requires improvement as presently there are numerous methodological and even typographic errors in these data. In addition, there are inherent inconsistencies in data, as the same information provided in various tables or publication is not fully consistent with each other. This highlights that little effort is made to cross check the data or their sources. Furthermore, the presentation of data is not user friendly. Usually, large datasets are presented in tabular form with no attempt made to summarize them. Usually the same information is repeated in tabular and graphical presentation of data.

In order to improve the integrity and access dimensions of data dissemination, it is required to prepare metadata of their current statistical practices in each area, explaining the methodology adopted, and sources of data. The metadata are of use to data compilers, policy makers, and analysts within and outside government and the analysis of data compilation methods, which leads directly to conclusion about data quality, data access and integrity of data, resulting in building confidence and trust of users.

While BoS has a calendar for its main publications and that the schedule is generally adhered, there are occasions of long delays in putting these data. Also, BoS has a clear dissemination policy for various types of data, both free of charge and on payment basis. However, data made public and posted on BoS's website need to be made more user friendly. These data are posted in pdf format, which implies that users would have to spend considerable effort to make it electronically reusable. BoS may consider following the State Bank of Pakistan by posting data in electronically readable form (e.g. in Microsoft Excel format). This will make data more, user-friendly while at the same time enhancing the transparency of data.

The assessment concludes that in order to achieve the vision of the government of making BoS a "state of the arts" statistical institution, BoS would require a clear indication of its role in government's structure; along with greater degree of autonomy and professional competency. The BoS has to evolve from mainly a data collection agency to undertake key statistical research for the provincial and federal governments. It may therefore be appropriate for the provincial government to enact a statistical law which would not only define the role of BoS, but would also provide greater autonomy and lay down foundation of business rules that would govern the functioning of the new BoS.

To collect, compile and analyze the key statistical information on consistent and sustain basis, BoS would require some fundamental changes in its organizational structure. There would be a need to create the GDP, Price and Fiscal sections. There is also a need to establish a research wing, which would liaise with local, national and international research institution to fulfill the analytical needs of the government. This, in addition to training, would require, at least in the short run, some requirements from the market to full the critical skill and competencies gaps; which in turn would require additional financial resources. Over the medium-term, BoS need to develop the competencies internally, through a well-designed recruitment and training program.

1. Introduction

1.1 Background

The principal purpose of any regional strategic planning is to formulate policies, allocate scarce resources, and to monitor regional progress. The statistical services in the developing regions are more often lack public confidence in the quality, and integrity of data mainly due to a fragile system and lack of adequate financial support to manage its' administrative affairs, among other limitations. The role of any regional statistics department traditionally is to provide solid statistical base to national and international planners, policy makers, researchers, and other data users in various socio-economic sectors. It, therefore, needs to involve in discussion, the managers (Planning and Development Department, Finance Department and other Government Institutions) as well as the data users (researchers) to identify the demands that are currently considered deficient for effectual data analyses.

One such example is Khyber Pakhtunkhwa's (KPK) Bureau of Statistics (BoS), which is presently being reviewed by the government in terms of the function it is performing and the support the government is getting from it to meet its development objectives.

As soon as the new political government took office in Khyber Pakhtunkhwa (KPK), it has shown a keen interest to accelerate the pace of economic and social development in the province. The provincial government intends to improve overall level of governance and public sector management including strengthening of the planning and development process. For the later, the government is looking at ways and means of strengthening of provincial Planning and Development Department (P&DD) and its attached affiliated departments and agencies including provincial Bureau of Statistics (BoS). There is a general consensus that planning process is severely handicapped by the quantity and quality of economic and social data available. The underlying perception is that the functions presently performed by BOS fall well short of the needs of the government and therefore needs a thorough restructuring to deliver the goods.

Despite past several attempts and a number of initiatives to improve the functioning of BoS the department needs further progress to come up to the expectations of the management, the private sector, the academia, and all other stakeholders using these statistical data

The purpose of this study is to review the role of BoS and the functions it is performing vis-a-vis the expectations. This calls for assessing the sufficiency, quality, integrity and dissemination practices regarding the data it collects and collates. In short, the study will review the overall effectiveness of BoS and will make suggestion to improve it. The institutional effectiveness will improve only if it is envisioned as a knowledge center that provides leadership in statistical production and endorses a culture of pragmatic evidence-based policy, planning and decision-making. This leads us to focus on four key dimensions around which, the data system needs to be constructed.

- Sufficiency: Data coverage, periodicity, and timeliness
- Quality, transparency (on methodology), sources, and cross-checks, timeliness, frequency and granularity
- Integrity: transparency (of data), objectivity, and professionalism
- Dissemination: timetable and schedules of release of data; the medium of dissemination; confidentiality and data security issues and practices

2. Sufficiency

The tasks, presently mandated to BoS, are to build a sound and effective provincial statistical program within the framework of national statistical system. It also stresses upon coordination, avoiding overlaps and elimination of any duplication in functions of the national and provincial institutions; formulate provincial policies in line with national recommendations, to act as a provincial electronic data processing agency, and to collect, organize, and disseminate the statistical data pertaining to various sectors. The sectors delegated to BoS as sections are following.

- Agriculture, Livestock, Crop Acreages, Fertilizer, Fisheries, Food, Forestry, Input Land Use, Machinery, Soil Conservation, and Electricity;
- Education, Elementary and Secondary Education, Higher Education, University and Technical Education;
- Health, Social Welfare and Women Development, Population Welfare, and Physical Health and Education;
- Industries, Employment, Mining, Prices of Essential Commodities and CMI;
- Census of Manufacturing Industries;
- Transport and Communication, Infrastructure (W&S), Crimes, Press, Television etc.;
- Census of Surveys, Housing, Population, Poverty, Special Assignments, Publications, Coordination, Khyber Pakhtunkhwa Development Briefs;
- National Accounts, Library, Labor Force Survey, ADP, Local Bodies;
- Service Administration;
- Budget and Accounts;
- Management Information System.

In this regard, the role of BoS seems more to provide support to the Pakistan Bureau of Statistics (PBS) in gathering provincial data to fulfill its role of the national database agency than assisting provincial government in meeting its planning and development objectives.

Although the authorized tasks appear to be comprehensive, it appears that the provincial BoS is mostly the data collection authority, which collects the data, presents in a prescribed format and passes on to the Pakistan Bureau of Statistics (PBS) and other users such as P&DD, Finance etc. for further analyses. There may be a genuine reason for doing so as the BoS does not meet the criteria of human resource capacity to use those data for analysis purpose. The fact is that the BoS is presently doing a challenging work despite experiencing the lack of manpower, equipment, skills and other resources.

The tasks assigned to the BoS cover only the necessary data sets, which any provincial statistical department should have. However, there are some important gaps and the compiled databases do not cover all data sets that are required for a complete system of official statistics. These gaps compromise the effectiveness of provincial government's planning and M&E functions.

3. Data Gaps

The main gaps in data are:

(i) **The absence of regional accounts:** The biggest handicap that the provincial planning process faces is the lack of regional accounts. This deprives the provincial policy makers of any sense of overall economic growth in the province, or the sectoral composition of income generated within the province. Similarly, the critical information of consumption savings and investment in the province is not available. It also hinders the policy makers to bench mark many economic and social parameters, e.g. the provincial fiscal deficit, the budgetary allocations to various sectors. Finally, the policy-makers have no mean of assessing the overall success or failure of their targeted interventions to increase the sectoral or the overall growth in the province.

While the national accounts are prepared by PBS relies on data collected at provincial level, including some collected by provincial BoS, it makes no attempt to disaggregate national accounts at provincial level. It may be noted that preparation of regional accounts will always requires compromises and some herculean assumptions are some of the national accounts identities close only at national level. However, given their importance to the regional planning process, this has not deterred other countries,¹ to prepare regional accounts. Given its comparative advantage, PBS should have been entrusted with this task. Nonetheless, as PBS seems to have no inclination of undertaking this assignment, the provincial planning process, should not be deprived of this critical information and the provincial BoS has to step in to fill this gap.

At present, the BoS do not have the capacity to prepare regional accounts for KPK. This capacity needs to be built. In the short-run, outside help would be required, which has to be solicited either from PBS or by acquiring expert skills from the market. The job of these external experts would be to devise a sound methodology based on United Nations System of National Accounts for preparation of regional accounts for KPK, fill the data gaps and prepare the accounts. In addition, these experts will train the BoS staff to undertake this task independently with 2-3 years.

(ii) **The price and inflation data:** As is the case for regional accounts, data on wholesale, retail and consumer prices is collected and compiled by PBS, which also prepares various price indices including the Consumer Price Index and correspondingly estimates inflation rate. Again this information is gathered at provincial level, but these indices are prepared and presented only at the national level, thus depriving the provincial policy makers of information on the inflationary effects on national and provincial policies and of their redistributive role in the province.

Preparing important price indices for KPK would require BoS to collect additional information (than what is collected by PBS), especially from more cities and towns of the province. However, it is quite capable of doing that. However, BoS presently lack the appropriate skills and competencies to prepare the relevant price indices. These competencies could quickly (within one year) be acquired by increasing the strength of technical staff in BoS and by arranging appropriate training courses.

(iii) **Public finance statistics:** While BoS does compile and publish public finance statistics for KPK, perhaps because of its limited capacity, it simply present the information

¹ For example, India, which inherited the statistical system similar to that of Pakistan and has many more states than Pakistan's four provinces, has been preparing state wise regional accounts for decades.

available in the budget book, with no attempt made to make these statistics consistent with international definitions and protocols (e.g. GFS of the IMF). As such, the information provided by these statistics is confusing and at times misleading. Also, as is the case with other statistics, no attempt is made to present any analyses of these data.

With appropriate staffing and some training, BoS should be able to fill this gap in a very short period of time.

(iv) **Data on remittance:** KPK is one province where within country and external remittances constitute an important source of household income. Consequently, the flow and use of remitted funds has strong implication for provincial economy. Yet, no attempt is made by BoS to compile and analyze the remittance data.

Data on remittances can be obtained either by sifting through the financial data of the banking system or by undertaking household surveys – two areas where BoS has limited capacity. The survey capacity of BoS would need to be enhanced not only for obtaining data on remittances but it may be called to undertake specific purpose household and establishment surveys in future.

4. Properties of Data

Quality: A review of data compiled and presented by BoS indicates that the quality of data requires improvement. The data presented in BoS publications has typographic and aggregation errors. There are also, inherent inconsistencies in these data, as the same information provided in various tables or publication is not fully consistent with each other. This highlights that little effort is made to cross check the data or their sources. Furthermore, the presentation of data is not user friendly. Usually, large datasets are presented in tabular form with no attempt made to summarize them. Usually the same information is repeated in tabular and graphical presentation of data.

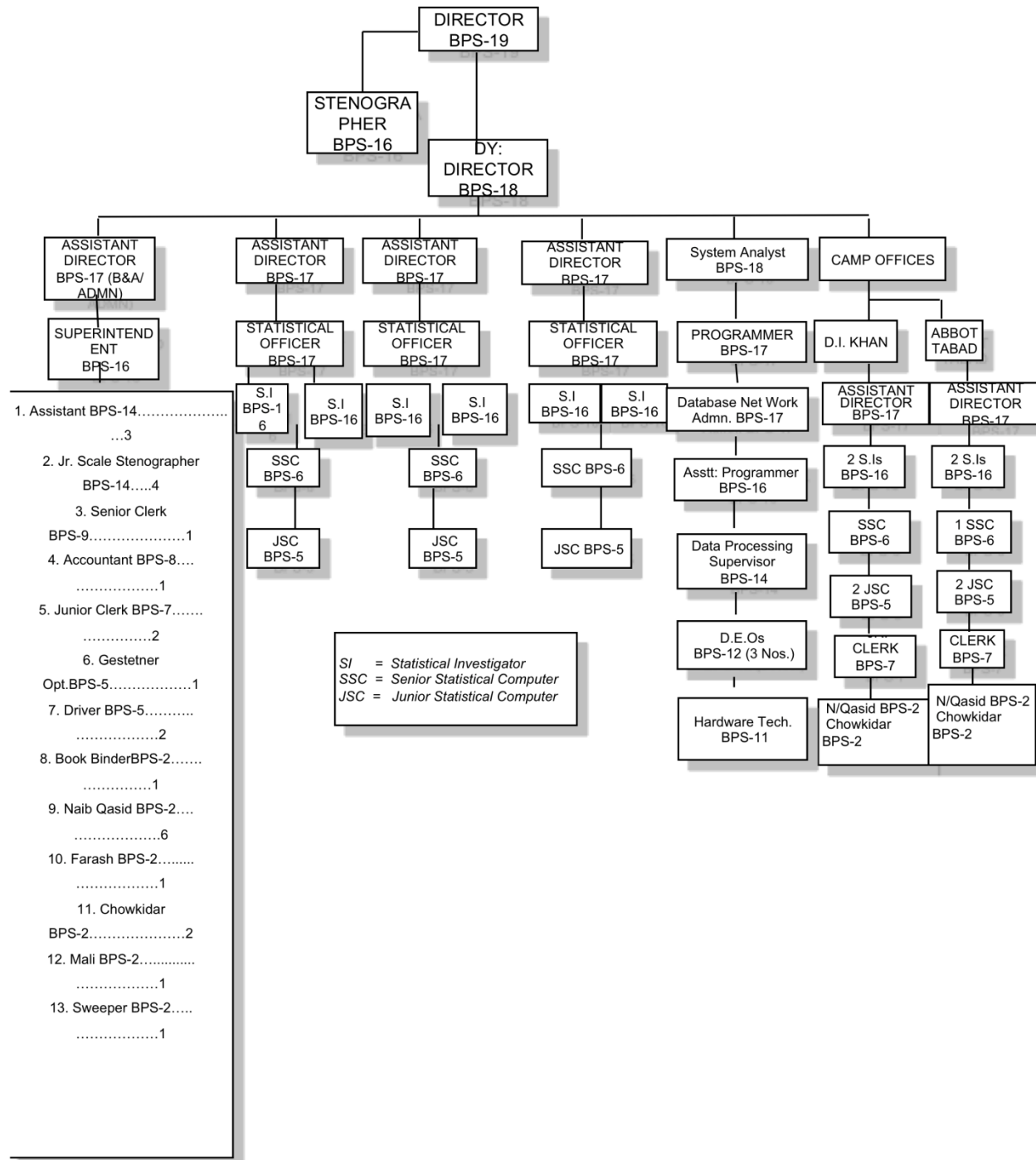
Integrity: In order to have integrity and access dimensions of data dissemination, it is required to prepare metadata of their current statistical practices in each area, explaining the methodology adopted, and sources of data. The metadata are of use to data compilers, policy makers, and analysts within and outside government and the analysis of data compilation methods, which leads directly to conclusion about data quality, data access and integrity of data, resulting in building confidence and trust of users.

Dissemination: While BoS has a calendar for its main publications and that the schedule is generally adhered, there are occasions of long delays in putting these data. Also, BoS has a clear dissemination policy for various types of data, both free of charge and on payment basis. However, data made public and posted on BoS's website need to be made more user friendly. These data are posted in pdf format, which implies that users would have to spend considerable effort to make it electronically reusable. BoS may consider following the State Bank of Pakistan by posting data in electronically readable form (e.g. in Microsoft Excel format). This will make data more, user-friendly while at the same time enhancing the transparency of data.

Organization structure: The organogram of the BoS suggest that it has a more of a bureaucratic top-down hierarchical set-up, which, nonetheless, could easily be converted into a functional organization. Moreover, the allocation of human resources appears to be skewed towards administrative tasks than the technical functions it is mandated to perform. There are one or two supporting staff to help the section in-charge in each technical section. However, there is 4-5 staff for handling the finance and administration sections. The technical capacity appears to be limited as there are only two section in-charges having master degree, while the remaining have only B.A/B.Sc. degrees. The supporting staff is also mixed having more Matric, F.A. and B.A degrees as appose to a few master degrees. There are practically little or no professional training courses available to staff.

5. Organizational Chart of BoS

ORGANIZATIONAL CHART OF BUREAU OF STATISTICS KHYBER PAKHTUNKHWA



6. Coordination with Pakistan Bureau of Statistics

The mandated tasks have emphasized on the liaison between the Federal and provincial government, and within provincial government system. Although it is believed that a fairly decent system of coordination is being observed there were some weaknesses, which can easily be removed with some remedial measures. There is another important aspect of coordination, that is, between BoS and the data users, which needs attention. There are number of government departments that are using BoS data immensely while academia and private sectors are also very keen in utilizing information coming from BoS. The major users of these data in the government are the PBS, KPK P&DD and the KPK Finance Department, which use data for making policies and monitoring implementation of those policies. For that the statistical information should be consistent, timely and credible. There is therefore a need for BoS to establish a forum, which can link data supplier (i.e. BoS) and data users so as to establish clear understanding and a feedback mechanism on the nature, quality and timeframe of data to be provided.

Another concern appears to be complete lack of capacity within BoS to analyze the data. While a genuine concern on to part of provincial government, the fact is BoS was never viewed to have the analytical capacity. The skill mix and available competencies within BoS is a clear indication of that. While some of the analytical skills can be acquired through appropriate training, it is clear that quantity and quality of human resources base of BoS need significant expansion. Financial resources and a well-designed recruitment plan will be required to acquire these capacities over the next three years.

Implementation Plan:

The findings and the strategies discussed above, require a sound action plan with effective tools that could be implemented in the next six to twelve months.

The quality and assurance of integrity of statistics are strongly linked to the legal and organizational structure, which govern the generation, compilation and dissemination of these statistics. The Khyber Pakhtunkhwa BoS is presently organized in eleven sections (see Table below), of which eight are the economic sections, and the remaining is involved with statistics related to information and human resources.

Table 1 Existing Structure/Sectors

No.	Sectors	Subsectors
1	Agriculture	Agriculture, Livestock, Crop Acreage, Fertilizer, Fisheries, Food, Forestry, Input, Land Use, Machinery, Soil Conservation, & Electricity;
2	Education	Education, Elementary & Secondary Education, Higher Education, Universities & Technical Education
3	Health	Health, Social Welfare & Women Development, Population Welfare, and Physical Health Education (PHE);
4	Industries and Prices	Industries, Employment, Mining, Prices of Essential Commodities, and Census of Manufacturing Index (CMI);
5	CMI	Census of Manufacturing Industries (CMI);
6	T&C	Transport & Communication, Infrastructure (W&S), Crimes, Press, Television etc.;

No.	Sectors	Subsectors
7	Coordination and Special Assignments	Census and Surveys, Housing, Population, Poverty, Special Assignments, Publications, Coordination, KP Development Briefs;
8	ADP, Local Bodies, Labor Force etc.	National Accounts, Library, Labor Force, ADP, Local Bodies;
9	Administration	Services Administration;
10	Budget and Accounts	Budget & Accounts;
11	MIS/DPC	Management Information System (MIS)

While keeping the existing sectors and subsectors intact, we recommend, to create three additional technical sections namely – the regional accounts section, the real sector and employment section and the fiscal, financial and prices section. These sections will use the data produced by the existing sectors and subsector. Each of this section is to be headed by a professional having competencies in understanding of the data and the related concepts. Ideally an economist or a sector expert should be hired on a three-year fixed term from the market to head these sections. At the conclusion of the three-year terms, the performance of these economists/sector experts will be evaluated to assess whether to replace one of more of them with fresh recruits, extend the contract by one to three years or regularize them in the mainstream government. In addition, BoS needs to develop its survey capabilities through training and fresh recruitments.

The existing Statistics Act needs to be reviewed and updated with new legislation while replacing outdated acts, reflecting fundamental principles of official statistics, and providing an effective mandate for all statistical activities.

A key to success in achieving a comprehensive research output is to have access to information and knowledge base. It is therefore, important to establish a library, preferably digital; to cater the specific needs of BoS. The library would contain (scanned copies) of important publications, ranging from case studies, guide lines, to reference books providing best statistical practices and methods. Documents need to be procured from various international organizations such as the World Bank, the IMF, the UN, private researchers, and other donor agencies, which are not only publishing methodologies as well as the best practices in statistical process; they are also updating globally consistent changes and practices. Such information is important for keeping an institution aware of the global changes and keeps them updated. It may be appropriate to have some twinning arrangements with important libraries like World Bank library, library of congress, and libraries of various universities.

Information and communication technology is critically important for data processing and compilation and for undertaking statistical research. Each section of BoS should have all the relevant information technology – fast speed computers, scanners and printers, local areas networks including email and instant messaging within BoS, access to internet and cloud technology, data storage equipment etc. which should be available to each BoS staff who involved in statistical analytical work.

As mentioned above, acquiring services of sector experts should be a short-term stop-gap arrangement. The permanent solution to the capacity constraint is to have BoS staff with relevant skills and competencies. In this regard, the recruitment policies need to be revamped to acquire competent staff of long-term basis. Nonetheless, staff development and training is the most effective labor market measure to develop skills among workers. It builds staff skills and motivation, a tool that enhances capacity of human resource by increasing proficiency, knowledge base, competency, and productivity. Training must be a continuous effort and BoS must organize short courses for the existing staff that take place outside office with no office

responsibility during training, from time to time. This implies that BoS should have policies flexible enough to make the replacement arrangement for the staff, who are engaged in the training courses. Training should be arranged within the department as well as through consultant, in the short-run; however, it is strongly recommended that the staff be provided foreign training in their respective fields in the long run. At present the staff needs to acquire training in implying statistical methodologies as well as report writing courses. To enhance the data coverage, training in estimation of provincial GDP, inflation, employment, fiscal data management, and report writing is considered as an urgent need for the staff.

While information technology is an effective measure of coordination among the BoS, the government agencies, and other users, the regular meetings, preferable fortnightly meetings would make coordination and management of the statistical system more effective. The meeting agenda would be to discuss the progress made during the last two weeks by each staff as well as the discussion about limitations that the staff experienced in collecting and disseminating statistical information. The feedback by the users would also be given to the staff. More frequent small group meetings or team meetings would make a remarkable difference in coordination and feedback.

All the above listed recommendations would have financial implications. We recommend that expenditures of building statistical capacity should be considered as investment into improving the policy and implementation system of the government. However, given government's tight financial situation, consideration should be given to mobilize donor assistance for this cause, at least in the initial phase of the capacity building program. Yet the actions requiring a long-term planning need resources on a continuous basis, for which the government should arrange such funds from its own resources preferably keeping space for allocating resources in the budget. These resources should be planned to flow on a continuous basis. Below is a table that recommends how the various actions be selected for donor funding and the funding from the government's budgetary resources.

Table 2 Selecting Modes for Action Plan Financing

	Action/Modes	Government own funds	Donor funds
1	Merging Sections		One time cost
2	New Hiring/Consultants	Long-term	
3	Enhance Survey Capabilities	Long-term	
4	Establish Library	Maintenance for long-term	One time cost
5	Access to IT	Maintenance for long-term	One time cost
6	Skill Development		Short-term
7	Reviewing Statistical Act		One time cost
8	Coordination	Long-term	

Monitoring and Evaluation:

One important factor behind less than adequate planning within the KP government is the absence of an effective mechanism to monitor and evaluate the progress in implementation and the impact of government's policy and initiatives. As a result, the government gets no

indications for course correction if these policies and initiatives are not progressing well or the feedback on their impact to better design the future policies. In reason for the absence of M&E system is the lack of timely and credible data. BoS, which is mandated to provide these data has been handicapped by its technical capacity and inadequate that it receives from the government.

As the technical capacity of BoS improves, it should be prepared to deliver on the important task of supporting government's M&E system. While the most relevant data for evaluating the impact of government policies, e.g. provincial GDP and its sectoral composition, and the poverty numbers would be available only annually or whenever the poverty survey would be undertaken, the supporting data that would be compiled to get to these estimates would still be relevant to provide government with initial indication on the direction and impact of its policies. Similarly, improved statistics, which are universally agreed within the government on social indicators, would provide good foundations for monitoring the impact of government's social development initiative. The need is only for a mechanism of a continuous interaction and feedback among the relevant departments of the government. The above mention institutional arrangements provide sound basis for enabling and fostering such a feedback mechanism.

